

THE CONSUMER BEHAVIOR TOWARDS GROCERY

PRIVATE LABEL BRAND

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ABSTRACT

As the competition is becoming high, to sustain in the market the retailers are working on new marketing strategies, most of the retailers adopted one such strategy are private branding. In the recent years the retail organization strategies decision are private label brand and many retailers have introduced varieties of Private label brand in different categories like apparel, food and grocery, health care, personal care, consumer durables, lifestyle etc. It gives tough competition to the national brand in terms of quality, price, promotion, place and packaging etc. private label image are old which is moves their image with low price and low quality good to premium items. The main objective of the study is consumer buying behavior with respect to private label brand and to analyze the consumer perception and expectation with regards to private label brand. This paper examines that the consumer behavior towards grocery private label brand. The research method used was mall intercepts survey method. The survey is conducted with sample of 120 respondents in Coimbatore city. Which is an empirical study where data is collected and analyzed using different statistical tools like percentage analyze and descriptive statistics. As the results shows that sample respondents behaviour, perception and expectation of the mean score are highly satisfied based on their private label products, the products are ecofriendly, price are less compared with other brands, Nearness, quantity etc., are highly satisfied and the standard deviation are slightly deviated based on their behavior.

KEYWORDS: Private Label Brand, Food Retailing & Consumer Buying Behavior

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INTRODUCTION

A private label brand products is manufactured by a contract or third-party and sold under a retailer's brand name. As the retailer, you specify everything about the product- what goes in it, how it's packaged, and what the label looks like – and pay to have it produced and delivered to your store. Increasingly over the last decades in many industries the focus on national brands is misplaced and private labels are becoming a dominant feature (Aaker, 1991). Retailers often 'own' their local markets and they do so by developing their own brands (Steen Kamp and Dekimpe, 1997).

The Private Label Manufactures Association (PLMA), founded in 1979 in US, states that “Private label products include all merchandise sold under a retailer's brand Thus it is in contrast to buying products from other companies with their brand names on them. Private label brand also define as Own brands, Store brands, label brand, house brand or generic. Private label brand is also called retailer brand as its design, manufactured and sale by retailer.

India has delivered a spectrum of foreign policy with start-up new industrial policy 1991. The international agreement on trade and services in 1995, the world trade organization (WTO) has included not only the wholesale trade but also the retail trade. After two years, GOI has permitted the Foreign Direct Investment (FDI) in cash and carry the wholesale business under government approval with cent percent rights. Later, i.e., from 2006 approval becomes automatic. In same year 51% percent investment is permitted for single brand retail outlets which have been declared into cent % percent of FDI during 2011. In 2013, the GOI has the foreign investment rules in retails from restriction, in order to attract global supermarket chains. Indian retail market gains importance as it contributes nearly 15% percent of GDP. The projected value of Indian retail market, at the end of the year 2016 is 490 US dollars at a growth rate of 7% percent which may reach more than 900 US dollars by 2024.

Today, private label brands are present in almost every product category, particularly in the grocery sector (Lamey et al., 2007; Beneke, 2010). “Indian consumers are becoming global in their thinking, preferences and aspirations like their western counterparts” (Indian Retail Report 2015). This gives scope for researches to explore the association of variables like quality, product, packaging, store image, price and convenience etc., with store loyalty and customer satisfaction. As the customers do not see much tangible value in some of the national brands offered, it gives a scope for retailers to introduce their own private labels. Customers’ acceptance of private labels provides opportunity to examine the contribution of private labels in terms of total sales and market share growth.

Thus, the major contribution of the present research is to examine the consumer behavior towards food grocery private label brands, since it is expected that price, information, perception and attributes would play a moderating role on consumer behavior towards private label. Moreover, in this study, we specifically focus on food grocery products, of perception and the information looked on packaging on private label products, eco-friendly, high quality etc.

OBJECTIVES

- To study the consumer buying behavior with respect to private label brands
- To analyze the consumer perception and expectation, with regards to private label brands

METHODOLOGY

The present study aims to know the level of consumer buying behavior towards private label brand with reference to groceries. The present study is based on primary data. The primary data is collected with the help of suitable questionnaire. The sample respondents were purposively selected those who buy the groceries private label brand, so to enact the various promotional strategies in the big bazaar. The study is mainly based on buying behavior of consumers with respect to private label brand and to analyse the consumer perception and expectation, with regards to private label brands. Sample size is 120. The data collected from the respondents and analysed using different statistical tool like percentage analysis, Likert scale techniques, and descriptive statistics. The period of study covers six months.

RESULTS AND DISCUSSIONS

General Particulars of the Sample Respondents

- **Socio Economic Profile**

From the above table 1 it can be shows that the out of 120 consumers, there are 31-40 years age consumers are more, 92(76.66%) are married consumers, 62(58.66%) are the female consumer buying the products, 40(36.88%)

consumer are with monthly income of 30 -40 thousand, 56(46.66%) are private employees, 78(65.00%) are nuclear family type of the consumers, 35(29.16%) any degree consumers, and haven and family size of majorly 4-6numbers 97(80.83%).

Consumer Buying Behavior Towards Private Label Brand

- **Awareness of Private Label Brand**

The table shows that the consumer who buying the private label are knowing are unknowingly purchasing the product were analysed in the table 2. From the above table it could be inferred that the majority of the consumers who are buying private label brand 99(82.50%) are known about the private label brand products.

- **Frequency of Purchasing of Private Label Brand?**

Often buying of private label brand are below 1 year, 1-2 years, 2-3 years, and 3-5years of the consumers are shown in the table 3. The table shows that the majority of the sample respondents were 1-2years 58(48.33%) followed by the 2-3years 32(26.66%) were majorly purchasing the product rottenly.

- **Distinguish Private Brand and National Brand**

The consumer differentiating the product whether it is a private or National brand while purchasing the grocery products in the departmental store as shown in the table 4. From the above table it could be known that the 97(80.83%) are majorly differentiating and 23(19.16%) are not differentiating the product while purchasing.

- **Place of the Purchase**

The place of the sample respondents were they buying the grocery products in retail store, online market and wholesale market as shown in the table 5. From the above table it should be shows that the majority of the sample respondents were buying the product in the retail market 62(51.66%) followed by the wholesale shop 48(40.00%) and 10(8.33%) of the consumers were buying the products online

- **Preference of Private Label Food Brands**

Private label food brand preferences of the sample respondents were brand, tasty, quality assurance and low price as shown in the table 6. Majority of the sample respondents prefer the private label food brands based on brand 36(30.33%) followed by their price 31(25.83%) and next to price, quality assurance 29(24.16%) and last with tasty 24(20.00%)

- **Source of Information**

The source of information about the private label brand of the sample respondents were advertisement, newspaper, friend's recommendation, direct visit to the retail sector and retailers recommendation as shown in the table 7. From the above table it could be inferred from the table 9 that the majority of the sample respondents sources of information for the private label brands are from the newspaper 58(48.33%) followed by friends recommendation 32 (26.66%) are inferred.

Consumer Perception with Regards to Private Label Brands

- **Factors Affecting Point of Purchase Towards Store Brands?**

The factors that are affecting the point of purchase towards store brand while purchasing the products. The store brands should be nearness, presence of better products, Appearance, price variation and presence of choicest brands as

shown in the table 8. It could be inferred from the above table factors that are seeing the customers while purchasing the products are majorly, mean score was Near (4.55) followed by Presence of choicest brands (4.525), appearance (4.425), Price Variation(4.208) and Presence of better products(4.00) and the standard deviation was appearance(0.7178)followed by Presence of better products(0.621), Nearness(0.519), Presence of choicest brands(0.5014) and Price Variation (0.5003).

- **Information Looked on for Packaging?**

Information looked on for packaging are Manufacturer name, Ingredients, Quantity and Price as shown in the table 9. From the table it could be inferred from major mean score and the standard deviation of the sample respondents were looked on for information for packaging are majorly manufacture name (4.508), followed by price (4.25), ingredients (4.208) and quantity (4.175) were standard deviation are quantity (0.763) followed by manufacture name (0.677), ingredients (0.602) and price (0.597).

- **Attribute That are Used While Buying Private Label Brands?**

Attributes were used while buying the private label brand are price, packaging, availability, quality, performance and past studies are as shown in the table 10. From this table it could be shows that the mean score and standard deviation of the sample respondents are availability (4.641) followed by performance (4.541), quality, past studies, price and packaging. Were standard deviation are performance (0.633) and followed by price etc.

- **Perception Regarding with Comparison of Private Label Brand and National Brand?**

The perception were compared with private brand and national brand were calculated as mean score and standard deviation as shown in the table 11. From the table it could be inferred as that major mean score and standard deviation are shown they are mean value eco- friendly (4.419) followed by high quality(4.383), low price(4.30) and the standard deviation are lower price (0.6686), followed by easily availability etc.

CONCLUSIONS

The perception in the Private label are many like price, quality, availability, products, packaging etc. these are the perception that are mostly useful to increase for the consumer to buy more products of private label brand instead of buying any other products of national brand. The retailers like own label brand manufacturer are to increase their brand to lead and to gain more income when compared to national brand. Consumers are buying private label brand because they are believing the products categories in groceries like high quality, convenient price, easily available, and also appearance were shown. In this study analyze the consumer buying behavior towards grocery private label brand and consumer perception and expectation with regards to private label brand, the survey was conducted with pretested questioner and the data were collected with sample size of 120. The data were analyze with statistical tools like percentage analyze and descriptive statistic. As the results shows that the consumer perception and expectation of the mean score are highly suitable for their convenient based on quality, the products are ecofriendly, price are less compared with other brands, Nearness, quantity are highly satisfied and the standard deviation are slightly deviated. Mean score are highly suitable for the study of consumer behavior and the standard deviation are slightly deviated and it is values are to be less than (< 1).

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APPENDIX

Table 1: Socio Economic Profile of the Respondents

Characteristics	No. of. Respondents (N=120)	Percentage
Age		
20-30	13	10.83
31-40	63	52.5
41-50	30	25.00
51-60	14	11.66
Gender		
Male	58	48.33
Female	62	58.66
Marital Status		
Married	92	76.66
Unmarried	28	23.33
Monthly Income		
25-30k	36	30.00
31-40k	46	38.33
41-50k	30	25.00
51-60k	8	6.666
Professional Status		
Private service	56	46.66
Government service	31	25.83
Businessman	13	10.83
Homemaker	18	15.00
Others	2	1.66

Family Size		
1-3numbers	12	10.00
4-6numbers	97	80.83
Above 6 numbers	11	9.166
Family Type		
Joint family	42	35.00
Nuclear family	78	65.00
Educational Qualification		
Primary	13	10.88
Higher secondary	20	16.66
Undergraduate	31	25.83
Post graduate	35	29.16
Professional degree	14	11.66
Others	7	5.83

(Figures in parenthesis indicates to percentage total)

Table 2: Awareness of Private Label Brand Is?

S. No	Private Label Brand	No. of the Respondents(Percentage)
1	Yes	99(82.50)
2	No	21(17.50)
	Total	120(100.00)

(Figures in parenthesis indicates to percentage total)

Table 3: Frequency of Purchase of Private Label Brand?

S. No	Often buy Private Label Brand	No. of the Respondents(Percentage)
1	Below 1years	22(18.33)
2	1-2years	58(48.33)
3	2-3 years	32(26.66)
4	3-5 years	8(6.66)
	Total	120(100.00)

(Figures in parenthesis indicates to percentage total)

Table 4: Distinguish Private Brand and National Brand

S. No	Difference in PLB/NB	No. of the Respondents(Percentage)
1	Yes	97(80.83)
2	No	23(19.16)
	Total	120(100.00)

(Figures in parenthesis indicates to percentage total)

Table 5: Place of the Sample Respondents Where They Buy a Products

S. No	Place were the Products Buy	No. of the Respondents(Percentage)
1	Retail	62(51.66)
2	Online	10(8.33)
3	Wholesale	48(40.00)
	Total	120(100.00)

(Figures in parenthesis indicates to percentage total)

Table 6: Private Label Food Brands of the Sample Respondents?

S. No	Private Label Food Brands	No. of the Respondents(Percentage)
1	Brand	36(30.00)
2	Tasty	24(20.00)
3	Quality Assurance	29(24.16)
4	Low Price	31(25.83)
	Total	120(100.00)

(Figures in parenthesis indicates to percentage total)

Table 7: Source of Information About the Private Label Brand of the Sample Respondents

S. No	Source of Information of the Private Brand	No. of the Respondents(Percentage)
1	Advertisement	22(18.33)
2	Newspaper	58(48.33)
3	Friends recommendation	32(26.66)
4	Direct visit to the retail sector	8(6.66)
Total		120(100.00)

(Figures in parenthesis indicates to percentage total)

Table 8: Factors Affecting Towards Purchasing the Products

No	Particulars	Minimum	Maximum	Mean	Standard Deviation
1	Nearness	3	5	4.55	0.5919
2	Presence of choicest brands	4	5	4.525	0.5014
3	Appearance	3	5	4.425	0.7178
4	Price Variation	3	5	4.208	0.5003
5	Presence of better products	3	5	4.00	0.6217

Table 9: Information Looked For Packaging of The Sample Respondents

S. No	Particulars	Minimum	Maximum	Mean	Standard Deviation
1	Manufacturer name	4	5	4.508	0.6773
2	Price	2	5	4.25	0.597
3	Ingredients	3	5	4.208	0.6023
4	Quantity	2.	5	4.175	0.763

Table 10: Attributes of the Sample Respondents While Purchasing Private Label Brand

S. No	Particulars	Minimum	Maximum	Mean	Standard Deviation
1	Availability	3	5	4.641	0.5152
2	Performance	3	5	4.541	0.6337
3	Quality	3	5	4.216	0.4882
4	Past studies	3	5	4.183	0.5497
5	Price	2	5	4.175	0.6033
6	Packaging	3	5	4.10	0.5250

Table 11: Perception When Compare With Private and National Brand of The Sample Respondents

S. No	Particulars	Minimum	Maximum	Mean	Standard Deviation
1	Eco-friendly	2	5	4.491	0.5650
2	High quality	3	5	4.383	0.6105
3	Low price	2	5	4.30	0.6686
4	Easily available	2	5	4.275	0.6477
5	High Performance	3	5	4.175	0.5892

